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ABSTRACT

Profiles of the 14 states of the Southern Regional Education Board (SREB) provide information on the structure of these states for public postsecondary education and budgeting. For each state, the following areas are discussed: state-level coordinating and/or governing agency, institutional governing boards, state board for vocational education, budgeting process, budget preparation by the state board/commission, budget requests by colleges and universities, budget recommendations of the state board/commission, the governor's budget, legislative hearings, and appropriations bill. A chart, which provides a regional overview of higher education coordination and budgeting, provides information for each state on: the body that sets tuition; the type of higher education agency (coordinating only, governing/coordinating); responsibility for coordination (public senior, public junior, public vocational/technical); responsibility for budgeting for two or four-year colleges (recommends institutional budgets, recommends systemwide budget, allocates funds to institutions); and responsibility for program review for existing and new programs. The 14 SREB states are: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia; and West Virginia. (SW)

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PROFILES OF THE SREB STATES

Organization for Coordination and
Budgeting of Higher Education

Southern Regional Education Board
1340 Spring Street, N.W.
Atlanta, Georgia 30309
1984

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This is the 1984 edition of a publication prepared for the Southern Regional Education Board's 1980 Annual Meeting, which had as its theme "Coordinating Higher Education: Setting State Profiles in the 80s." Profiles of the 14 SREB states, summarizing their structure for public postsecondary education and budgeting, were compiled as a background for the discussions. This revised edition includes changes in coordination and budgeting since 1980 and a description of vocational education governance in each state. The report is based on material submitted to SREB by staff of the 14 state higher education agencies; in several instances, associated agencies provided assistance.

Regional Overview of Higher Education Coordination and Budgeting

State and Major State Agency	Tuition Set By	Type of Higher Educational Agency		Responsibility for Coordination			Responsibility for Budgeting					Responsibility for Program Review				
										Applies to		Existing Programs		New Programs	Applies to	
		Governing/ Coordinating	Coordinating Only	Public Senior	Public Junior	Public Voc/Tech	Recommends Institutional Budgets	Recommends Systemwide Budget	Allocates Funds to Institutions	Public 4-year	Public 2-year	May Recommend Discontinuance	May Require Discontinuance	Approval Required	Public 4-year	Public 2-year
Alabama Commission on Higher Education	Institutions		X	X	X	X	X			X	X	X		X	X	X
Arkansas Department of Higher Education	Institutions		X	X	X		X			X	X	X		X	X	X
Florida Board of Regents	Legislature	X		X			X		X	X			X	X	X	
Georgia Board of Regents	Regents	X		X	X			X	X	X	X		X	X	X	X
Kentucky Council on Higher Education	Council		X	X	X		X			X	X		X	X	X	X
Louisiana Board of Regents	Institutions		X	X	X		X			X	X		X	X	X	X
Maryland State Board of Higher Education	Institutions		X	X	X		X			X	X	X		X	X	X
Mississippi Board of Trustees	Board	X		X				X	X	X			X	X	X	
North Carolina Board of Governors	Board	X		X				X	X	X		X	X	X	X	
South Carolina Commission on Higher Education	Institutions		X	X	X	X	X			X	X	X		X	X	X
Tennessee Higher Education Commission	Institutional Systems		X	X	X	X	X			X	X	X		X	X	X
Texas Coordinating Board, Texas College and University System	Legislature		X	X	X		X			X	X		X	X	X	X
Virginia State Council of Higher Education	Institutions		X	X	X		X			X	X		X	X	X	X
West Virginia Board of Regents	Regents	X		X	X			X	X	X	X		X	X	X	X

ALABAMA

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Commission on Higher Education, the statutory coordinating agency for public higher education, was established in 1969. The Commission is composed of 12 members; 10 are appointed by the governor, and the lieutenant governor and the speaker of the House appoint one each, who are confirmed by the state Senate. Seven members are from congressional districts and five from the state at large. All serve as at-large appointees. Each serves a nine-year term of office. The statutory authority of the Commission includes planning, coordination, approval of new academic programs, budget review for individual institutions, and recommendation of a consolidated budget for the state's public senior and junior institutions. The Commission is not a cabinet department. The executive officer of the agency is appointed by and serves at the pleasure of the Commission, subject to Senate confirmation.

Institutional Governing Boards

The state has two multi-campus governing boards established by the state constitution with powers delineated by the state legislature--the Board of Trustees of the University of Alabama, for three senior institutions; and the Board of Trustees of Auburn University, for two senior institutions. Each of eight other state universities has a separate governing board; one

upper-division college and 20 junior colleges are governed by the State Board of Education through a Chancellor who oversees the Department of Postsecondary Education.

State Board for Vocational Education

The State Board of Education is the State Board for Vocational Education. Vocational/technical education programs are offered at the secondary level by 114 area vocational centers operated by the 67 public school systems. State-level supervision of these programs is the responsibility of the Division of Vocational Education in the State Department of Education. Postsecondary vocational/technical programs are offered through the 22 technical colleges and technical college divisions of the 6 community colleges; these programs are accredited by the Southern Association Commission on Occupational Education and are supervised at the state level by the State Department of Postsecondary Education. Short term, on-site industrial training programs are offered by the Alabama Industrial Development Training Institute.

PART II: BUDGETING PROCESS

State funds for the support of Alabama's senior and two-year institutions are appropriated annually from the Alabama Special Education Trust Fund, a fund established exclusively for the support of all education and funded by designated ("earmarked") tax revenues. Alabama's constitution prohibits appropriations in excess of available funds, so adjustment of appropriations, by discounting or "proration," may be necessary if actual tax revenues fall short of the amounts anticipated.

Budget Preparation

Alabama Commission on Higher Education uses funding formulas based on certain fixed costs and on enrollments and credit hour production to establish "benchmarks" for the regular academic programs of the state's public colleges and universities and for first professional health programs of instruction. The formulas are reviewed and updated regularly by committees consisting of Commission staff members and institutional representatives. Prior to the submission of budget requests by the institutions, the Commission staff prepares preliminary estimates, for the budget years, of these benchmark amounts for the guidance of the institutions.

Budget Requests

The senior institutions, through their governing boards, and the Department of Postsecondary Education, for the two-year colleges, submit budget requests simultaneously to the Commission on Higher Education and the State Budget Office. The formats for these requests have been developed by the Budget Office and the Commission, using a functional, rather than an object, categorization.

Commission Budget Recommendations

The Commission staff reviews the institutional requests and holds hearings jointly with the State Budget Office. Staff estimates of the funding requirements of the institutions are presented to the institutions (the senior institutions and the Department of Postsecondary Education) and to the Commission. The Commission invites response from the institutions,

after which it approves a statement of funding requirements for higher education. The statement is transmitted to the governor, his cabinet officers, and the members of the legislature.

The Governor's Budget

Because projected state tax revenues have fallen substantially short of funding needs for all levels of education in recent years, the Commission participates in the development of a compromise education budget that reflects the current funding realities. As required by law, the governor presents to the legislature, no later than the fifth legislative day of each regular (annual) session, his proposed budget for the operation of all state agencies, including those responsible for education.

Legislative Hearings

Traditionally, budget hearings have been held prior to each legislative session by a joint committee, usually composed of members of the appropriation committees (Ways and Means in the House and Finance and Taxation in the Senate) and augmented by special appointments made by each presiding officer. These hearings usually consist of a presentation by each institution (a representative of the segment of institutions in the case of the junior and technical colleges), as well as a presentation by the Commission staff of the Commission's recommendations and its suggestions for funding for the upcoming year.

Appropriation Bill

Appropriations are made directly to the 14 senior institutions. Appropriations to the junior colleges and technical colleges are made to an equalization account for each of those two segments, from which the State Board of Education distributes the funds to the institutions. In more recent years, the legislature has written into the appropriation bill a formula that would dictate the method the State Board is to use in allocation of the funds for the junior colleges; little flexibility is left to the State Board. The State Board is responsible for determining the method of allocating state appropriations to the technical colleges. The dollars appropriated are paid to all institutions in equal monthly installments from the Special Education Trust Fund.

ARKANSAS

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Department of Higher Education, established in 1971, functions as a statutory cabinet department of state government charged with the coordination of postsecondary education in Arkansas. The State Board of Higher Education, the coordinating board for the department, is composed of 10 members appointed by the governor and confirmed by the state Senate. Each member serves a 10-year term of office. The department has statutory responsibility for planning and coordinating for public junior and senior institutions, and consideration is given to private and proprietary postsecondary schools within this planning. The department approves all degree-granting institutions and has statutory responsibility for budget review and recommendations and program review and recommendations for the public junior and senior institutions. The executive officer of the agency is nominated by the Board, confirmed by the governor, and serves at the pleasure of the governor.

Institutional Governing Boards

Arkansas has six governing boards for public senior institutions, which are constitutional boards with powers delineated in the constitution. The University of Arkansas board, the Southern Arkansas University board and the Arkansas State University board are responsible for more than one campus; the other boards each govern a single institution. The seven community colleges have local boards elected from the taxing district.

State Board for Vocational Education

The State Board of Education serves as the State Board for Vocational Education. This same board meets at different times and places to serve two separate state agencies--the Department of Education, General Division, and the Division of Vocational and Technical Education. The separate directors of the two divisions are nominated by the board, confirmed by the governor, and serve at the pleasure of the governor. The Division of Vocational and Technical Education is responsible for occupational programs at all levels in elementary, secondary, and higher education institutions. A higher education program is considered occupational if it is less than baccalaureate level and has occupational objectives.

PART II: BUDGETING PROCESS

By constitutional provision, allocation of operating funds to state agencies in Arkansas may not exceed state revenue. Each biennium the General Assembly enacts legislation that controls the flow of funding to each agency and relates it to the receipt of revenue. The act of appropriation is tempered by the Revenue Stabilization Act, which may restrict an agency to 95 percent, 90 percent, or some other portion of the amount appropriated if total revenue does not equal the total of appropriations for all state functions.

Budget Preparation

The Arkansas budgeting sequence follows a biennial pattern. In the fall of odd-numbered years, the Department of Higher Education, in consultation

with an institutional budget advisory committee as well as executive and legislative budget staff, revises the appropriation formulas and considers budget priorities and strategies for the next biennium. While this is a single budget process and the Division of Vocational and Technical Education participates in it, that agency is responsible for portions of formulas which involve primarily occupational programs. In considering formula revisions, the Department uses a computer model of the appropriation formulas to simulate the fiscal impact of alternative policies regarding faculty salaries, increases for non-salary items, increases for library acquisitions, etc. Decisions made about policies result in specific formula cost rates for the next biennium.

Before the Department makes final recommendations concerning formula revisions, the proposed changes are discussed with the college and university presidents and chancellors. The Department also projects enrollments for each college and university for the next biennium. The Department's projections are discussed with institutions and, in some cases, revised. The Department also develops a single set of forms to be used by institutions, the Department, and executive and legislative officers in making appropriation requests and recommendations. The formula revisions and appropriation request forms are incorporated into an instruction manual, approved by the State Board of Higher Education and the State Board of Vocational and Technical Education at January meetings, and distributed to institutions.

Budget Requests

Institutions develop requests in the spring of even-numbered years. Requests are divided into four parts: (1) appropriation requests for expenditure categories based upon formulas; (2) requests for funding in addition to formula amounts for expenditure categories which are based on formulas; (3) requests for non-formula expenditure categories on a justification basis; and (4) estimated unrestricted revenue available to support educational and general operations. The estimated expenditures in the first three parts are totaled to arrive at unrestricted educational and general funding requirements, and available revenue is deducted to determine the net state general revenue requested for each year of the biennium.

Formulas have been developed for 10 expenditure categories. For other categories, institutions base appropriation requests on their own cost projections and must justify the need for funding.

Some institutions and agencies, such as the University of Arkansas Medical Sciences campus, do not use formulas and base their entire request on institutional cost projections and justification.

State Board of Higher Education and Governor's Recommendations

Institutional requests are reviewed by Department of Higher Education and the Division of Vocational and Technical Education staffs during the summer; funding recommendations are presented to the State Boards in August; and final recommendations are adopted by the Boards by September for presentation to the governor and legislature.

Although the State Boards make a consolidated recommendation, copies of the original institutional requests are also submitted to the General Assembly and the governor. Institutions can and do work for additional funds above the State Boards' recommendations for specific items. The governor's recommendations are made in October to the Legislative Council.

Budget Hearings

Hearings are held before the Legislative Council in November, at which time the recommendations of the Legislative Council are forwarded to the General Assembly which convenes in January.

Appropriation Bill

In April, the General Assembly adopts legislation appropriating general revenues to each of the colleges and universities and establishing the allocation rate in the Revenue Stabilization Act. The chief fiscal officer of the state subsequently allocates funds monthly to each agency of the state. Institutions are required to follow strictly defined state processes in expending their funds, but can set their own priorities.

FLORIDA

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The nominal policy-making and governing body for public education in Florida is the State Board of Education. The Board, which is also the Florida cabinet, is composed of seven persons, each of whom serves in an ex officio capacity by virture of the elected office held--the governor, secretary of state, state treasurer, attorney general, commissioner of agriculture, state comptroller, and commissioner of education--and has constitutionally defined legal status. The State Board of Education has statutory responsibility to adopt comprehensive educational objectives for public education and to adopt and transmit to the governor, on or before November 1 of each year, estimates of expenditure requirements for all entities under the general supervision of the State Board of Education.

Institutional Governing Boards

Under the jurisdiction of the State Board of Education are the Board of Regents (BOR) of the State University System and the State Board of Community Colleges (SBCC) of the Community College System. The Board of Regents of the State University System was established in 1965, and governs the nine public senior institutions under statutory authority. Members of the Board are appointed by the governor, with the approval of three cabinet members and consent of the Senate. The 13 members include a student, the commissioner of education, and 11 representatives from the general public.

The Board of Regents is primarily responsible for

> . . . adopting systemwide rules and policies; planning for the future needs of the State University System; planning the programmatic, financial, and physical development of the system; reviewing and evaluating the instructional, research, and service programs at the universities; coordinating program development among the universities; and monitoring the fiscal performance of the universities.

In addition, the Board reviews the legislative budgets from each university and prepares an aggregated budget for the State University System. A chancellor functions as the executive officer of the Board, is appointed by the Board, and serves at the Board's pleasure.

The 1983 Florida legislature established the State Board of Community Colleges. This Board is provided with the necessary powers to exercise responsibility for statewide leadership in overseeing and coordinating the individually governed public community colleges.

Postsecondary Education Planning Commission

Created in 1981 as an advisory body to the State Board of Education, the Postsecondary Education Planning Commission is composed of 12 lay members, including one student, appointed by the governor. The primary duties of the Commission include advising the governor and cabinet, sitting as the State Board of Education, on all matters pertaining to postsecondary education, and preparing and maintaining Florida's Master Plan for Postsecondary Education. Additional duties include the conduct of special legislative studies, the formulation of recommendations on academic program contracts with independent institutions, academic program review coordination, and budget review in relation to the Master Plan.

State Board for Vocational Education

The State Board of Education acts as the State Board for Vocational Education. The State Board of Education and the Commissioner of Education assign to the state's Division of Vocational Education, which is housed in the Department of Education, such powers, duties, responsibilities, and functions as are necessary in order for this Division to provide vocational education at all levels and in all public institutions of the state. This Division is the single organizational unit, within the Department of Education, responsible for performing those activities appropriate for the Department of Education in at least the functional areas of leadership, resource allocation (planning, programming, and budgeting), evaluation, technical assistance, personnel development, research, and dissemination as they pertain to vocational education. The director of the Division of Vocational Education is appointed by the Commissioner of Education.

The Florida State Advisory Council on Vocational and Technical Education, composed of members representing 20 separate categories of citizens, functions in an advisory capacity to the State Board for Vocational Education in such matters as the development of the five-year state plan; annual state plan; accountability report; and on policy matters arising from administration of programs established under these documents. Other Council duties include the evaluation of vocational education programs, services, and activities; publication and distribution of evaluation results; preparation and submission of an annual evaluation report; identification and assessment of vocational education and employment and training

needs of the state; public meetings and the provision of technical assistance as requested by the local advisory councils. The Council members are appointed by the governor.

The 67 local public school districts (each county in Florida is a local public school district) and the 28 local community colleges are primarily responsible for the delivery of vocational education programs, services, and activities. Each local school board provides for the establishment and maintenance of vocational schools, departments, or classes, giving instruction in vocational education, as defined in State Board of Education regulations, in kindergarten through grade 12; area vocational-technical centers for high school and post-high school students; and general adult education. Each local community college offers comprehensive programs in three broad fields: general and academic education parallel to that of the first and second years of work in the State University System institutions; vocational education; and adult continuing education. These programs serve high school and post-high school students and include both terminal programs and programs which can be continued at institutions offering advanced study.

Four special State school systems which also deliver vocational education receive technical assistance from the Division of Vocational Education. A residential school for deaf, blind, and deaf-blind students, operated by a board of trustees, offers comprehensive academic and vocational education programs which encompass grades K - 12. Residential schools for exceptional students, operated by the Program Offices, Mental Health and Mental Retardation Services, Department of Health and Rehabilitative Services, offer basic academic and vocational education programs

during the residency period. Residential schools for delinquent youth are operated by the Youth Services Program Office, Department of Health and Rehabilitative Services, and offer academic and vocational education programs through grade 12. The Department of Offender Rehabilitation residential schools for adult criminal offenders offer programs in vocational education, adult basic education, high school credit, college credit, and terminal programs in vocational-technical education.

PART II: BUDGETING PROCESS

Budget Preparation

Instructions for preparation of the Biennial Legislative Request Budget are issued by the Executive Office of the Governor (EOG) in July of each even-numbered year. These are very detailed instructions which specify the process and format to be used. During the same period both the governor and the State Board of Education issue policy guidelines which are to provide the general framework for the request budget.

Budget Requests

Division of Universities

The State University System (SUS) is comprised of the following budget entities for which appropriations from the legislature are requested:

*Educational and General (nine universities)

*University of Florida - Institute of Food and Agricultural Sciences (IFAS)

*University of Florida - Engineering and Industrial Experiment Station (EIES)

*University of Florida - Health Center

*University of South Florida - Medical Center

*University of South Florida - Florida Mental Health Institute

*General Office

Contracts and Grants (nine universities)

Auxiliaries (nine universities)

*NOTE: Funded primarily from state tax revenues.

The Board of Regents develops supplemental guidelines relating to the goals and objectives, as stated by the governor and the State Board of Education, as they relate to the mission of the University System. These instructions set System priorities and detail specific procedures and policies the Board wishes to articulate to the university presidents.

Upon issuance of the Board guidelines, the universities prepare a biennial legislative request by budget entity. These documents contain requests for the cost to continue current programs, workload increases, and for new and improved programs. The documents are submitted to the Board staff for review in early September. The review entails checking for compliance with the instructions issued by the Executive Office of the Governor and the Board of Regents.

The staff in the Board of Regents' General Office is responsible for preparing a systemwide request for the Educational and General Budget, the Auxiliary Enterprises Budget, and the Contracts and Grants Budget. This is accomplished through the aggregation of the fiscal information as submitted by each university and the development of a justification for the requests, also based on the university submissions. Once approved by the Board of

Regents, the individual university requests, as well as the system aggregate, are submitted to the Executive Office of the Governor and the legislature. The requests are submitted on or before November 1 as required by law.

The Systemwide requests for the Educational and General, Auxiliaries, and Contracts and Grants budgets and specific requests for IFAS, EIES, UF Health Center, USF Medical Center and FMHI are entered into the Legislative Data File for use by the governor's office and the legislature in the development of recommendations and appropriations. In addition, the legislature analyzes individual university data as well as systemwide data through the use of special computer programs. This process entails the provision by the State University System of the base year operating budget data and the request year data for each university in a format specified by the legislative staff.

The governor is required by law to submit budget recommendations to the legislature 60 days prior to the beginning of the session on even-numbered years and 45 days prior to the session for odd-numbered years.

Based on information from legislative files and workpapers, the Appropriations Act and the Letter of Intent, the Executive Office of the Governor prepares an operating budget for each agency, establishing the number of authorized positions, salary controls, and dollar controls by fund and category.

The appropriations for the Educational and General, Auxiliaries, and Contracts and Grants budgets are provided for the System. Staff in the Office of Budgets in the Board General Office utilize legislative workpapers

and other supporting documentation to prepare an allocation for each university. This allocation is amended as required throughout the year.

Using the amounts allocated, each university prepares an operating budget which outlines expenditures for the fiscal year.

Division of Community Colleges

The budget request for the 28 community colleges is prepared by the Division of Community Colleges. Base funding requirements are determined by using prior years' expenditure data, enrollment projections, and inflation factors. Additional funds are requested to meet special categorical needs which are identified by the community college presidents and the Division of Community Colleges.

The governor's and legislative staffs review and analyze requests for community colleges in a manner similar to BOR requests.

Funds for community colleges are appropriated to the Division of Community Colleges for monthly distribution to the 28 colleges.

Review and Analysis

The Biennial Legislative Budget Request is submitted to the governor and the legislature on or before November 1 of each even-numbered year. The requests are entered into the legislative data files in a specified format. This is accomplished through a tape transfer from the requesting agency to the Executive Office of the Governor or it may require manual input by staff in the governor's office. The ultimate goal is directed toward the development of automated statewide budgeting, personnel, and accounting systems. The primary workpaper used by the governor's office and the

legislature to reflect the agency request, the recommendations, and appropriation is the "Narrative Issue Summary." This document is often used in the deliberation process to display the major decision points (i.e. annualization of prior year pay increases, price level increases, enrollment growth, etc.).

Governor's Budget

The governor's recommended budget is due to the legislature 60 days prior to the beginning of the session on even-numbered years and 45 days prior to the session on odd-numbered years. The governor develops a biennial budget recommendation; however, the legislature provides an annual appropriation. The governor amends his second-year recommendations to reflect revised economic conditions, subsequent policy directives, and to incorporate legislative appropriations for the first year of the biennium. In addition, the agency may amend the second-year request in accordance with specific guidelines from the legislature and the governor's office.

The staff in the Office of Planning and Budgeting in the Executive Office of the Governor utilize the months of November, December, and January to perform certain technical checks on the request budget, to develop budget recommendations, to brief the governor and certain other decision-makers, and to work with the agency regarding the proposed recommendations. Workpapers are prepared to support the recommendations. The necessary implementing legislation/proviso is also prepared by the staff.

Legislative Hearings

During the same period in which the governor is developing his budget recommendations, the appropriations and substantive committees of both the House and the Senate begin holding public hearings and developing legislative strategies. The legislature meets for 60 days, beginning in April. Education constituents are frequently called upon to support the request budget or to provide information as requested by the staff.

Budget Bill

Each house passes a budget bill. A conference committee negotiates the final bill. Traditionally, there has been a single consolidated bill for all state activity. In recent years, however, there has been a separate appropriations bill for Public Education Capital Outlay (PECO). This bill includes Fixed Capital Outlay funding for all education sectors. Operating funds are appropriated to the State University System of Florida for the E&G budget for the following major program categories: Instruction and Research, Institutes and Research Centers, Administrative Direction and Support Services, Plant Operation and Maintenance, Libraries, Museums, Radio/TV, Laboratory Schools, and Student Services. The number of full-time equivalent (FTE) positions an agency can have during the fiscal year is controlled by the legislature in the appropriations act. Appropriations are made for specific categories of expenditure (i.e. Salaries and Benefits, Other Personal Services, Expenses, EDP, Operating Capital Outlay, Lump Sums, and Special Categories). This is also applicable for the other budgets in the State University System. Resources provided for Instruction and Research

are appropriated in one category entitled "Special Categories - Instruction and Research." This has provided the System with additional flexibility. For the Community College budget, funds are appropriated as a lump sum for one major program category entitled "Community College Program Fund." Positions are not controlled by the legislature.

Control and Veto

Legislative control is exercised partially through restrictions and qualifications contained in proviso language in the appropriations bill. The governor has line-item veto authority. While his veto powers can have an impact, it is rarely practical to veto an entire line item. However, this is not the case in the appropriations for facilities; this can have a significant impact.

GEORGIA

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Boards of Regents of the University System of Georgia functions as the single governing board for all public higher education in the state. The Board was established in 1931. The Regents consist of 15 members appointed by the governor with the consent of the Senate. All members represent the general public and serve seven-year terms of office. The Board has statutory responsibility for planning and coordination, institutional budget review including recommendations for a consolidated budget, and program approval over 15 junior and 14 senior colleges and 4 university-level institutions. Georgia does not have a state office of secretary of education and the Regents do not function as a cabinet department. The executive officer of the Board is appointed by and serves at the pleasure of the Board.

State Board for Vocational Education

The State Board of Education serves as the State Board for Vocational Education for the purpose of receiving federal vocational education funds. It also provides for state-level administration of Georgia's postsecondary vocational-technical schools and centers. State-level coordination and policy development for postsecondary vocational-technical programs, however, are the responsibility of a separate Board of Postsecondary Vocational Education. This 10-member board, established by executive order in 1984, is

composed of the State Superintendent of Schools; the Chancellor of the University System of Georgia; the Commissioner of Industry and Trade; two members each from the State Board of Education and from the Board of Regents, appointed by their respective boards; and three persons from business and industry, appointed by the governor. All but the first three serve staggered three-year terms. Under a contractual agreement between the State Board and the Regents, the Board is responsible for developing policies, plans, and goals for postsecondary vocational education; for reviewing and approving or disapproving proposed new vocational-technical programs in Georgia's postsecondary technical schools and centers and University System institutions; for reviewing the effectiveness of existing programs; and for reviewing proposed state funding of postsecondary vocational education. The executive director is appointed by and serves at the pleasure of the Board.

PART II: BUDGETING PROCESS

Institutional Request

The University System of Georgia operates on an annual budget cycle. In June, the Board of Regents' staff collects enrollment projections from each institution in three categories--lower, upper, and graduate and professional levels. These enrollment data are applied to an enrollment-based formula that generates total dollars to be requested for resident instruction in the entire system. Funds for the teaching hospital, agricultural experiment stations, cooperative extension service, capital outlay, and other special programs are requested on their own bases.

Board Recommendation

The Board of Regents' request corresponds to a format used by the Office of Planning and Budget in the executive branch of state government. The budget request is organized by line-item and also has certain categories for special programs, for capital outlay, and for salary increases and inflationary allowances. The staff of the Board compiles the request and recommends it to the Board's finance committee. The full Board then acts on the request, which is officially submitted to the Office of Planning and Budget by September 1.

Governor's Budget

The Board of Regents meets with the governor in November. The governor subsequently informs the chairman of his likely recommendation. The governor makes his final recommendation in January at the beginning of the legislative session.

Legislative Hearings

A hearing is held jointly by the Appropriations committees of both the House and Senate. The Chairman of the Board and Board staff represent the colleges and universities in these hearings, although occasionally representatives of professional schools or special programs will attend.

Appropriation Bill

The legislature appropriates all funds to the Board of Regents, according to personal services, operations, capital and categorical programs.

Allocation

The Board of Regents controls the allocation of funds to the individual institutions. The Board determines each institution's need and subtracts the funds to be generated by the college's own operations and student tuition. The difference is funded by the state funds. The process of determing financial need begins in January, with each institution presenting its special funding concerns. Before June 1, each institution submits to the Board a detailed budget, by line-item and by position. The Board monitors the budgeted and actual expenditures throughout the year. The Office of Planning and Budget monitors the budgets on a quarterly basis.

KENTUCKY

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Council on Higher Education, established in 1934, serves as a statutory coordinating agency for the state. The Council consists of 18 members, 17 of whom are appointed by the governor for terms up to four years and are voting members. The Superintendent of Public Instruction serves as an ex-officio, non-voting member. Sixteen of the 17 voting members are citizens of the Commonwealth, representing the seven Congressional districts of the state, and there is an undergraduate degree receipient from each of the eight public institutions. One voting member is a student representing the entire student body of the state system. The Council has statutory authority for comprehensive planning, institutional budget review, consolidated budget recommendations, approval of all new and existing degree programs, review and approval of capital construction or renovation projects exceeding $200,000 in costs, and determination of tuition/fees and minimum entrance requirements for the public institutions. The state has a Secretary of the Education and Humanities Cabinet; however, the Council is an independent board reporting to the governor. The Executive Director of the Council is appointed by the Council membership.

Institutional Governing Boards

There are eight institutional governing boards for the public institutions in Kentucky. The Board of Trustees of the University of Kentucky

governs 13 public community colleges and the senior institution. Each of the other seven boards governs a single institution: The Board of Trustees of the University of Louisville, the Board of Regents of Eastern Kentucky University, the Board of Regents of Kentucky State University, the Board of Regents of Morehead State University, the Board of Regents of Murray State University, the Board of Regents of Northern Kentucky University, and the Board of Regents of Western Kentucky University.

1203 Commission

The 1203 Commission operates under joint agreement among the Council on Higher Education, the Kentucky Higher Education Assistance Authority, and the State Advisory Council on Vocational Education.

State Board for Vocational Education

The Bureau of Vocational Education is a component of the Department of Education. Operational responsibility for public programs outside colleges and universities lies with the Bureau of Vocational Education.

PART II: BUDGETING PROCESS

Kentucky has a biennial budget, with appropriations in even-numbered years.

Budget Preparation

Beginning in the fall of even-numbered years, after the budget has been allocated, the Kentucky Council for Higher Education begins reviewing the formats, guidelines, formulas, and data bases for the next biennium. Studies are conducted of special issues that are expected to be prominent in the

submission process over the next year and a half. As a result of this review, the higher education funding formula may be revised and updated to more adequately depict the needs of higher education. In the spring of odd-numbered years, the Council sends the budget guidelines, including the formula, to the institutions. The guidelines provide for the assumptions and format for the biennial request submission to the Council. Over the past years, the Office for Policy and Management (OPM), which is the executive budget office, and the Council have worked toward using one set of guidelines and formats for budget requests. This understanding is important, since the formal guidelines from OPM are circulated in the summer, which is after the Council's instructions have gone out.

Institutional Requests

Each institution submits a request to the Council by late August of odd-numbered years. This is followed in September by a personal presentation to the Council staff by the president of each institution.

Council Review and Recommendations

The Council reviews each institutional request according to the funding formula, plus any additional requests above the formula generated amount. The formula and a formula use policy were developed jointly by each institution and the Council, at the request of the legislature.

After reviewing the requests and hearing the president's presentations, the Council staff compiles an initial recommendation, to which the president of each institution responds. After these institutional hearings, the

Council staff forwards its recommendation to the Financial Affairs Committee of the Council, which then makes a recommendation to the full Council. By the middle of November, the Council submits its recommended institutional budgets to the governor and legislature.

Governor's Budget

OPM reviews the Council's recommendation. Public higher education is assigned a "policy advisor" from OPM. The governor presents his budget in mid-January.

Legislative Hearings

Hearings are held by the Appropriations and Revenue Committees in both the House and the Senate. The Council staff represents the institutions, although institutional leaders can and do attend.

Appropriation Bill

Appropriations are made directly to the public institutions, usually in April of even-numbered years. By June, the institutions develop their annual operating budgets, which provide the basis for the next year's expenditures.

LOUISIANA

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Board of Regents, created in 1974, serves as the constitutional statewide coordinating agency for postsecondary education. The Board consists of 15 lay members and one student member appointed by the governor with the consent of the Senate. The 15 lay members represent the general public and serve staggered six-year terms of office; the student member serves a one-year term. The Board has constitutional authority for planning and coordination for all public senior and junior institutions of higher education and constitutional responsibility for reviewing budgets, recommending a consolidated budget, and approving all academic programs for public senior and junior institutions. Both proposed and existing degree programs are subject to Board approval. The executive officer of the Board is appointed by the Board and serves at the Board's pleasure. The cabinet position of Secretary of Education is held by the elected Superintendent of Public Instruction, whose responsibility lies in the elementary, secondary, and postsecondary vocational education areas.

Institutional Governing Boards

Three institutional governing boards were also created by the 1974 constitution. Each board has 18 members appointed by the governor with the consent of the Senate (17 representatives from the general public and one student member). The three governing boards are: (1) the Board of Supervisors of Louisiana State University and Agricultural and Mechanical

College, governing two public junior colleges, three public senior colleges, a law center, an agricultural center, and a medical center; (2) the Board of Supervisors of Southern University and Agricultural and Mechanical College, responsible for one junior college and two senior institutions; and (3) the Board of Trustees for State Colleges and Universities, governing eight senior institutions and one junior college.

State Board for Vocational Education

The State Board of Elementary and Secondary Education (BESE) is also the State Board of Vocational Education. As the Board of Elementary and Secondary Education, it establishes policy for the vocational programs offered at the secondary level in the State of Louisiana; the State Superintendent is responsible for administering these vocational policies at the secondary level. When the State Board of Elementary and Secondary Education meets as the State Board of Vocational Education, it has a dual function: it establishes policy and procedures for the 52 postsecondary vocational-technical schools and also assumes duties as a management board for the postsecondary vocational-technical schools. Budgetary responsibilities for the postsecondary vocational-technical schools follow the same procedure as colleges and universities do in the state of Louisiana. Each vo-tech school director submits his school's budget to BESE for approval and then the budget request is forwarded to the Division of Administration for review prior to its recommendation to the Executive Budget Office for funding through the legislature.

PART II: BUDGETING PROCESS

Formula budgeting for higher education has been used in Louisiana since 1974. The primary factors that comprise this formula are average faculty salaries, student-teacher ratios, and average full-time-equivalent student courseloads. Each year the Regents' staff adjusts faculty salaries to reflect current averages prevalent in the Southern Regional Education Board area. Some of the postsecondary education enterprise is funded on a non-formula basis.

The formula technique, as utilized in Louisiana, is founded upon equity and adequacy of the state funds distributed to institutions. This formula does not take into account an institution's geographical location. It considers the role and scope of an institution only to a limited extent through recognition of student credit-hour production for "low-cost" and "high-cost" categories and at six student levels. The formula does, however, contain an inflation factor which provides a minimum level of new funds to every institution. Also, all institutions receive a base factor which is intended to offset the various economies and diseconomies of scale.

The formula is utilized for the generation and distribution of funds and not for any internal allocation purposes.

Budget Preparation and Requests

In the early fall of the year, the Executive Budget Office sends budget instructions and forms to each campus. The official budget request document is due in the Budget Office no later than December 5 of each year. Each

institution's budget request is transmitted through the respective management board to the Board of Regents which, in turn, forwards requests to the Budget Office.

Board Review

In mid-December of each year, the Board of Regents holds its annual budget hearings. This is the principal time in the budget cycle when higher education requests are subjected to in-depth examination. During this hearing, both the operating and capital outlay budget requests for each institution, as well as the operating requests of the three management boards, are scrutinized by the Regents' finance committee. The members are supported in this budgetary analysis by a professional staff. The product of this intensive review is a set of comprehensive recommendations for higher education. These recommendations are transmitted in early January to the Executive Budget Office, Legislative Fiscal Office, and Legislative Budget Committee.

Legislative Budget Committee Recommendations

When the legislature convenes in April, it also has a set of general recommendations for state spending, which has been produced by the Joint Legislative Committee on the Budget. This committee is comprised of the members of the House Appropriations Committee and the Senate Finance Committee.

Appropriation Bill

Appropriation bills in Louisiana may be introduced only in the House. The House Appropriations Committee holds hearings on the appropriation bill in the spring. Recommendations from this committee are a result of meshing

recommendations from the executive branch's Budget Office and the Legislative Fiscal Office. Because Louisiana has a strong executive branch, most of its recommendations become part of the appropriation bill and, eventually, law.

During the appropriations process, the executive branch decides how many new state dollars will be allocated for higher education, and the formula is funded at that implementation level.

After the House Appropriations Committee and Senate Finance Committee agree on spending priorities, and the House and Senate approve the appropriation bill, it is sent to the governor for signature. The bill becomes law in the first week of the new fiscal year. State formula funds are appropriated to each institution in a lump sum. Each institution's administration then determines the best internal allocation and returns an operating budget for approval by its management board and the Board of Regents. The latter then forwards the approved document to the Division of Administration and the Legislative Budget Committee for final approval. This operating budget approval process is usually completed in October of the fiscal year for which the funds have been appropriated.

MARYLAND

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The State Board for Higher Education (SBHE) consists of 11 members, all appointed by the governor, with the advice and consent of the Senate, for five-year terms. Board members are eligible for reappointment but no member may serve more than two full five-year terms. The State Board for Higher Education has the following major statutory responsibilities: (1) to coordinate the overall growth and development of postsecondary education; (2) to develop a plan for postsecondary education and issue annual reviews of it; (3) to review operating and capital budgets and capital projects of public institutions and to make recommendations consistent with the statewide master plan; (4) to prescribe minimum degree requirements for public and private institutions; (5) to review and approve new academic programs; (6) to administer state funds received by private institutions according to the aid to nonpublic institutions of higher education law; (7) to coordinate educational policies with the State Board of Education (the state public school agency) through the Educational Coordinating Committee; and (8) to collect and evaluate information on any matter within its authority. The commissioner of higher education is the Board's chief executive officer and is a member of the governor's cabinet. The commissioner is appointed by the board for a four-year term and is eligible for unlimited reappointment.

Institutional Governing Boards

The state system of public higher education consists of three major segments. The Board of Regents of the University of Maryland governs the branches of the university. The Board of Trustees of the State Universities and Colleges governs one university and five public senior colleges. The State Board for Community Colleges serves as a statutory coordinating agency for 17 community colleges that are governed by local boards. Additionally, St. Mary's College and Morgan State University--both senior public institutions--are governed by their own boards of trustees.

1202 Commission

The State Board for Higher Education serves as the state's 1202 Commission.

State Board for Vocational Education

The State Board of Education serves as the State Board for Vocational Education for federal programs. An independent State Advisory Council for Vocational-Technical Education exists to provide advice and recommendations on a comprehensive range of issues. The State Board for Higher Education is responsible for approving proprietary schools to operate in the state, as well as for approving vocational programs at community colleges, which are the primary public institutions in the state offering vocational-technical programs at the postsecondary level. The SBHE collects data from the proprietary institutions it approves. Both the State Board for Community Colleges (a coordinating board for that group of institutions) and the

State Department of Education collect information from the community colleges to meet federal vocational education requirements.

PART II: BUDGETING PROCESS

Preliminary Estimates

Each of the sectors in Maryland postsecondary education follows a slightly different process in submitting a preliminary estimate of need.

These preliminary estimates for Maryland postsecondary education are submitted to the governor through his staff agency, the Department of Budget and Fiscal Planning (DBFP), and the State Board for Higher Education (SBHE).

The State Board holds hearings on the preliminary requests and makes recommendations for funding to the governor.

The Department of Budget and Fiscal Planning analyzes the segment requests and the recommendation of the State Board in preparing its recommendation to the governor. The governor receives a recommendation as to the level of General Funds support that should be made available to each of the state's agencies and departments.

Maximum Agency Request Ceiling (MARC)

On or about the first of June, the governor makes the final determination of the Maximum Agency Request Ceiling (MARC) for each agency. This is the maximum amount of General Fund revenue that may be included in the budget request of each agency.

The process is basically one of determining: (1) the cost of the programs authorized and funded in the budget that has just been approved;

(2) any additional resources required to fund new legislation, new facilities, quality improvements, or programmatic changes desired by the governor; (3) the resource savings that may occur from either across-the-board efforts or special program reductions desired by the governor; and (4) the amount of additional General Funds needed or saved by altering either the fee levels at state institutions or the support available from federal sources. The whole process is oriented toward the development of numbers that are consistent with the expected level of state General Fund revenue.

Once each institution, campus, and agency has received its MARC, it knows the maximum amount of General Funds that it can use in its budget request. The institution or agency then reevaluates the need and determines what change, if any, will be required in other funding sources in order to support its programs.

Budget Requests

On September 1 the budget requests from all of the higher education institutions and agencies are provided to the State Board for Higher Education and to the DBFP. SBHE uses a formula-derived guideline technique to analyze the six primary budgetary programs in the institutional budgets. Those programs that are not amenable to formula-based analysis are analyzed in terms of their relationship to the programs approved by the Board, as well as to their impact on the implementation of the Maryland Statewide Plan for Postsecondary Education. After preliminary analysis by the Board, hearings are again held, giving the institutions an opportunity to present and explain their requirements.

Consolidated Budget of the State Board

Following subsequent analysis, SBHE presents a consolidated operating budget to the governor during the first week in November. The consolidated budget includes the Board's recommendation on funding from all sources for each institution, board, and agency, including recommendations for General Fund support above the MARC, if that is determined necessary.

DBFP Recommendation and Governor's Budget

The Department of Budget and Fiscal Planning analyzes all of the available information and presents a recommended budget to the governor. This budget is on a line-item basis for each program at each campus or institution. The DBFP has the SBHE's recommendations available to it when it prepares its recommendations.

The governor then weighs the recommendations of DBFP and SBHE to develop his budget request. The governor, at the beginning of each legislative session, about mid-January, presents to the General Assembly a complete plan of proposed expenditures, balanced by estimated revenues.

Legislative Budget Bill

The General Assembly has the final voice on the budget. It cannot increase the appropriations set forth in the executive budget, but, with certain exceptions, is permitted to decrease them.

The Department of Fiscal Services conducts a study and review of operating and capital budgets during all stages of preparation and consideration and prepares a report for presentation to the General Assembly at the opening of regular sessions, making recommendations on all appropriations.

After the budget bill has been passed by both houses, the General Assembly may make additional appropriations in supplementary appropriation bills, provided that each such bill includes a revenue measure to pay for it.

The budget bill, as passed, becomes law immediately and is not subject to executive veto. The governor may veto a supplementary appropriation bill.

Executive Budget Bill

The culmination of the resource-allocation process is the enactment of the executive budget bill with legislative changes. For higher education, the appropriation is at the program level (e.g., instruction, library) by funding source for each institution. All funds used in higher education are appropriated by the state, including special and federal funds.

MISSISSIPPI

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Board of Trustees of Institutions of Higher Learning, established in 1910 and reorganized in 1944, exercises constitutional governing authority over eight public institutions in the state. The Board consists of 13 members, appointed by the governor with the consent of the Senate, who represent the general public and serve 12-year terms of office. The Board has statutory authority for planning and coordination, institutional budget review and consolidated budget recommendations, and program approval for the eight senior institutions that it governs. The state does not have an office of secretary of education and the Board does not serve as a cabinet department. The executive officer of the Board is appointed by the Board and serves under a four-year contract. The Division of Junior Colleges of the State Department of Education functions as a statutory regulatory and coordinating agency for the state's 16 public junior colleges.

1202 Commission

The Postsecondary Educational Planning Board serves as the state's 1202 commission. There are 27 members of the board, appointed by the governor--seven represent the general public; 11 represent public institutions; two each represent private institutions, proprietary institutions, and faculty; and one each represent vocational-technical institutions, the student body, and "other."

State Board for Vocational Education

The Mississippi Board of Vocational and Technical Education, created in 1982, functions as the State Board of Vocational Education. It controls educational facilities and programs specifically designated to the state agency for the delivery of vocational and technical education and exercises that authority through the Division of Vocational and Technical Education of the State Department of Education. Twenty eight postsecondary vocational centers are administered by the junior colleges, which are governed locally but coordinated under the Division of Junior Colleges, State Department of Education. The centers serve students on a statewide basis in 13 "service regions" and are located within a reasonable commuting distance of all students in the state, offering degree, certificate, and diploma programs in postsecondary and adult vocational education.

PART II: BUDGETING PROCESS

Formulation of higher education operating budgets in Mississippi is characterized by: (1) the absence of an executive budget; (2) a statewide fiscal staff under a joint executive-legislative commission; (3) a consolidated governing board request generated almost entirely by a comprehensive formula serving both for request and allocation purposes; (4) a lump sum appropriation to the consolidated board for allocation to institutions; and (5) analysis and allocation of the appropriation by the consolidated governing board with approval of the allocation by the joint commission prior to the beginning of the fiscal year. Mississippi has an annual budget; the fiscal year begins July 1.

Budget Preparation

The Commission of Budgeting and Accounting (CBA) issues budget instructions to the institutions in mid-summer. In August, the institutions send to the Board a budget request based on their perceived needs. At the same time, the Board prepares the official legislative budget request by use of a formula. The institutions then revise their requests in line with the formula-calculated amount for each institution. Review and analysis by Trustees' staff and CBA staff is completed in September.

Trustees' Hearings and Request

In September, the Trustees hear campus requests in approximately one-half day. Usually late in September, the Board consolidates the institutions' requests and presents to the Budget Commission a lump-sum appropriation request. Requests are shown by campus and also by a three-campus "university" cluster and a five-campus "college" cluster. Under the revised formula procedure, there are three institutional categories: institutions with programs through the doctoral level, institutions with programs through the educational-specialist level, and institutions through the master's level. Support for institutional programs representing approximately 90 percent of the Trustees' request, is justified by a comprehensive formula which is based on the relationship between costs of instruction and the costs of other functions.

The cost study is done by combining the institutions into groups and deriving a cost, by level, by HEGIS discipline for each group. In addition, the amount for instruction, research, other institutional costs, and self-generating income is calculated by using different factors for each group.

CBA Hearings and CBA Budget Report

The Trustees' request is heard by CBA in approximately one-half day in October. It is presented by the Trustees' executive director, but campus administrators are present to defend or explain particular requests. There is no governor's budget in Mississippi. However, in October, CBA prepares a report to the legislature containing CBA recommendations. Although the report displays prior campus expenditures and current requests. CBA recommendations are on a consolidated basis for the system as a whole.

NORTH CAROLINA

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agencies

The Board of Governors of the University of North Carolina

The Board of Governors of the University of North Carolina, established in 1971, is composed of 32 members, eight of whom are elected by the legislature every two years. Each group of eight must include a minimum of one woman, one member of a minority race, and one member of the party which constitutes the minority in the legislature. All 32 members, serving eight-year terms of office, are deemed members-at-large and are charged with the responsibility of serving the best interests of the whole state.

The Board has statutory authority for planning and developing a coordinated system of higher education. It also functions as the statutory governing agency for 16 senior public institutions in the state and administers statewide federal or state programs that provide aid to institutions or students of postsecondary education through an agency, except those related exclusively to the community college system. In addition, the Board has statutory authority for program approval and making consolidated budget recommendations for public senior institutions. The chief administrative officer of the university, the president, is elected by the Board and serves at the pleasure of the Board.

The Board of Governors has the statutory responsibility to give advice and recommendations concerning higher education to the governor, the General Assembly, the Advisory Budget Commission, and the boards of trustees of the 16 constituent institutions.

A 13-member board of trustees, including the president of the student government of the institution as an ex officio member, is provided for each of the 16 senior public constituent institutions. Their responsibilities are largely delegated by the Board of Governors. However, they have the statutory responsibility of nominating to the president at least two candidates for the position of chancellor when a vacancy occurs. The president nominates one candidate to the Board of Governors. Chancellors are responsible to the president.

The State Board of Community Colleges

The State Board of Community Colleges consists of 19 members: 10 members appointed by the governor, 7 by the Senate and House of the General Assembly, and the Lieutenant Governor and the State Treasurer, with the Lieutenant Governor and the State Treasurer serving ex officio with full voting powers. To carry out its responsibilities, the Board has established the Department of Community Colleges, headed by the state president, which provides state-level administration and leadership for the community college system under the direction of the State Board. The state president reports to the State Board and is responsible for organizing and managing the Department. The Department's function is to provide services and assistance in a number of areas to institutions in the statewide system. As the 58 institutions are governed locally by individual boards of trustees, the functions of the Department are limited to those activities deemed appropriate for it to perform.

The Community College System consists of 23 community colleges, 29 technical colleges, and 6 technical institutes. Each institution has a 13-member Board of Trustees, 4 of whom are appointed by the governor, 4 by the local Board of Education in the administrative area of the institution, and 4 by the county commissioners. The president of the Student Government serves ex officio without a vote. Each Board of Trustees is a body corporate entitled

> . . . to acquire, hold and transfer real and personal property, to enter into contracts, to institute and defend legal actions and suits, and to exercise such other rights and privileges as may be necessary for the management and administration of the institution.

The powers and duties of the trustees include the appointment of the institutional president, subject to the approval of the State Board of Community Colleges, and the appointment of other personnel, subject to standards set by the State Board of Community Colleges.

State Board for Vocational Education

The State Board of Education functions as the State Board for Vocational Education. It allocates approximately one-third of the federal vocational funds received by the Board to the State Board of Community Colleges for support of postsecondary vocational education. The remaining two-thirds is used to support the vocational program of the public schools. The Department of Community Colleges is responsible for reporting to the State Board for Vocational Education all funds from both state and federal sources expended by it for vocational education, enrollment data for postsecondary vocational education, and other information needed for reporting to the federal government.

PART II: BUDGETING PROCESS

Budget Preparation

The president of the university, in the fall of odd-numbered years, receives from the Office of State Budget and Management (OSBM) budget instructions which include general guidelines established by the governor as director of the budget, the Advisory Budget Commission (ABC), and the OSBM.

(a) The instructions first identify the types of increased operation costs that may be included in the continuation budget requests. This identification is specific and restricted by directive from OSBM. Acceptable increases over the authorized expenditure levels of the current year are generally limited to the address of increases mandated by state law, federal statute, or responsive to specified, identifiable rate or price increases in effect at the time of the budget submission.

(b) The instructions relating to academic salary increase requests reflect conclusions reached by the president after consultation with the Board committees on personnel and tenure and budget and finance and with the chancellors.

(c) The program improvements and expansions and capital improvements budget instructions provide only general guidelines as to the total level of institutional estimates and emphasize the need for establishment of institutional

priorities. Some requests are initiated by the president's staff, with the institutions participating less formally in the development of a comprehensive university-wide request.

Budget Requests

Upon receiving instructions and guidelines from the president, each constituent institution, by July of even-numbered years, proceeds to prepare its budget estimates. The internal procedure for assuring the involvement of the faculty and staff in the preparation of the institutional estimates is determined by the chancellor.

Staff Review

The review procedures, in September, for campus budget estimates are:

(a) Continuation budgets are reviewed by the vice president for finance and his staff for general consistency and conformance with instructions. The campus data upon which the academic salary increase requests are based are also reviewed in a similar manner.

(b) A budget committee, headed by the vice president for academic affairs and composed of senior members of the president's staff, reviews and evaluates all campus budget estimates for program improvements and expansions and capital improvements.

The Board Recommendations

After receiving the recommendations of the vice president for finance and the budget committee, the president confers individually with the chancellors of the constituent institutions and then prepares his budget recommendations for consideration by the Board's Committee on Budget and Finance. All proposed requests for appropriations for program improvements and expansions and capital improvements are summarized in a "schedule of priorities" and supported in appropriate detail.

The Board's Committee on Budget and Finance considers the budget proposed by the president and, upon its arrival, submits the budget to the Board of Governors.

The Board of Governors considers and takes final action on the recommended budget request following approval by its Committee on Budget and Finance. The Board's budget request is submitted to the governor and the ABC in October.

Governor's Recommendations

ABC hearings, at which the president represents the university, are held and final recommendations are made in November. The governor and the ABC forward recommendations on the university's budget request to the General Assembly in January of odd-numbered years as a part of the comprehensive state budget recommendations.

Legislative Hearings

The president represents the university in hearings held by the legislative committees considering the university's budget, a process that continues throughout most of the legislative session.

Appropriation

The General Assembly appropriates funds to the university by June or July of odd-numbered years. Continuation budgets are appropriated directly to the 16 constituent institutions. Academic salary increase funds are appropriated to the Board of Governors in a lump sum for allocatior to the constituent institutions. Funds for program improvements and expansion and capital improvements are also appropriated to the Board in a lump sum, subject to any specifications set forth in the budget appropriations acts.

Upon receipt of the notice of appropriations, each institution is given the opportunity to reassess its earlier estimates and priorities. Utilizing internal procedures substantially the same as those followed in developing the budget request, the president then prepares and presents to the Committee on Budget and Finance recommended allocations of the lump sum appropriations. The Committee's report is then submitted to the Board of Governors and final action is taken on the allocations. These allocations, in combination with the direct appropriations to the campuses, constitute the approved operating and capital budgets for the institutions.

Limited transfers of funds between budget purposes and objects of expenditure within an established institutional operating budget may be approved by the director of the budget.

SOUTH CAROLINA

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Commission on Higher Education is the coordinating board for higher education, created by statute in 1967. The Commission consists of 18 members appointed by the governor, three from each of the state's congressional districts. Of these, two from each district are appointed with the advice and consent of the legislative delegations within the district, and one from each district is appointed on nomination by the legislative delegations within the district. Terms of office are four years, and no member may serve more than two consecutive terms. The chairman is elected for a one-year term by the members, and may not serve as chairman more than four consecutive years.

Among other responsibilities, the Commission is required to prepare and maintain a master plan for higher education; to approve new programs in public institutions and to recommend the termination of any existing programs; to review, modify as necessary, and present to the General Assembly annual appropriation requests for all public higher education institutions; and to make recommendations with respect to new capital facilities for all public institutions.

The executive director of the Commission is appointed by and serves at the pleasure of the Commission.

South Carolina is not organized into cabinet-level departments, and there is no office of secretary of education.

Institutional Governing Boards

The eight institutional governing boards include boards of trustees for Clemson University, the Medical University, South Carolina State College, and Winthrop College, and the Board of Visitors for The Citadel, each governing a single institution. The Board of Trustees of the University of South Carolina governs, in addition to USC-Columbia, three senior and five two-year branches. The State College Board of Trustees governs three senior institutions: the College of Charleston, Francis Marion College, and Lander College. The State Board for Technical and Comprehensive Education governs 16 two-year technical colleges and has statutory responsibilities for coordination with the Commission on Higher Education.

State Board for Vocational Education

The State Board of Education is designated the State Board for Vocational Education and, as such, governs 58 vocational education centers. Vocational-occupational education programs are also conducted by the 16 technical colleges under the State Board for Technical and Comprehensive Education and by many junior and senior public and private colleges. Coordination of the State Board for Vocational Education and the Commission is voluntary.

PART II: BUDGETING PROCESS

The state operates on an annual legislative and appropriations cycle.

The Commission's recommendations for annual appropriations are based on an appropriations formula, which is in part student-driven, and incorporates differential factors reflecting level and field of study and institutional type.

The parameters in this formula are viewed and may be adjusted annually. The formula provides the opportunity for any institution to request special funding for such unusual items as start-up costs for new programs.

Institutional requests for state appropriations, utilizing this formula, are submitted to the Commission in early summer, typically 13 months prior to the start of the fiscal year to which they apply. The Commission holds hearings on these requests in late summer, and in early fall presents its own recommendations to the Budget and Control Board, a statutory body chaired by the governor and consisting of four other constitutional and legislative officials. This Board in turn submits its recommendations, in the form of a draft appropriations bill, to the General Assembly in January. This draft bill includes appropriations for each state agency and institution separately. The bill is considered in turn by the House and Senate. The governor has the authority to veto specific line items in the act as passed.

TENNESSEE

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Tennessee Higher Education Commission (THEC), established in 1967, serves as the statutory coordinating agency for postsecondary education in Tennessee. The Commission consists of nine members, representative of the general public, appointed by the governor for a nine-year term of office. The Commission has statutory responsibility for planning and coordination for public junior and senior institutions, technical institutes, and vocational schools. It conducts planning and coordination activities as a matter of policy for those institutions as well as for private institutions. As a matter of policy, and with statutory authority, the Commission reviews institutional budgets and reviews and makes budget recommendations for public junior and senior institutions, technical institutes, and vocational schools. In addition, the Commission has statutory authority to approve programs for public junior and senior institutions and technical institutes. Tennessee does not have an office of secretary of education, and the Commission does not serve as a cabinet department. The executive officer of the Commission is appointed by the Commission and serves at the pleasure of the Commission.

Institutional Governing Boards

There are two institutional governing boards for public higher education in the state: (1) the Board of Regents of the State University and Community College System, which exercises statutory responsibility for 10 junior and

six senior public institutions, four postsecondary technical institutes, and 27 area vocational schools; (2) the Board of Trustees of the University of Tennessee which exercises statutory authority for four senior institutions.

State Board for Vocational Education

The State Board of Education is the State Board for Vocational Education.

PART II: BUDGETING PROCESS

Formulation of higher education operating budgets in Tennessee is characterized by: (1) the strong influence of the Tennessee Higher Education Commission (THEC); (2) a comprehensive system of formulas which generates approximately 85 percent of the institutional appropriation requests; and (3) the dependence of the executive budget office and legislative fiscal staffs upon THEC for all information about higher education activities. Tennessee has an annual budget; the fiscal year begins July 1.

Budget Preparation

In June, THEC sends formula change request forms to the system offices. Instructions are issued by THEC in September, based upon guidelines worked out by THEC and the Division of Budget (DOB). Formulas are updated annually by THEC on the basis of input from a biennial cost study, from institutional representatives, and from members of the Special Committee on the Higher Education Formula and the Formula Advisory Committee. During the presubmission phase, THEC and the institutions communicate informally as problems arise.

Institutional Appropriation Requests

Campuses submit separate requests, and the identity of each campus remains clear throughout the budgetary process. Requests are submitted to THEC in late summer. The DOB does not receive individual institutional requests. THEC submits a request consolidating institutional requests and THEC recommendations to DOB and the legislature by November 1. Formula computations generate the largest part of the institutional requests. The institutional requests contain amounts in terms of 10 functions, the largest of which is "Instruction."

Review and Analysis

THEC has approximately two weeks, in late September and early October, to review institutional requests prior to THEC hearings. The focus of THEC review is on additions to the budget base. The fact that the appropriation request is formula-generated makes it possible to perform the bulk of the review and analysis in two weeks. DOB fits higher education's needs into the governor's totals, working closely with THEC in the process. Legislative staff focus on specific legislative interests, such as formula improvement factors, faculty salaries, and medical education.

Hearings

THEC conducts public institutional hearings on a regional basis, beginning in early October and continuing for approximately two weeks. Local legislators and administrators are encouraged to attend. Most questions which arise during THEC review are held until staff hearings conducted at

THEC offices, when each institution meets separately with THEC staff for discussion of its appropriation request. THEC attempts to provide a rough analysis approximately three days before the hearings so that the institutions can prepare written statements. In late October, the THEC staff presents recommendations to its Commission in a public meeting. DOB hearings are held in November. Legislators attend and participate actively.

Governor's Budget

The governor's budget is submitted prior to legislative hearings, by January 15 in non-election years and by March 1 in election years. Recommendations are in lump sum format, by institution. The appropriation bill is drafted by the governor's Department of Finance and Administration.

Legislative Hearings

Legislative hearings are held from February through April by the substantive Education Committees in both houses, by the Finance, Ways and Means Committee in both houses, and by the Fiscal Review Committee. The Senate and House Finance, Ways and Means Committees and the Fiscal Review Committee may sit jointly for appropriations hearings, usually in February. The Department of Finance and Administration is represented at joint legislative budget hearings, often by the Commissioner. THEC represents higher education. Systems staff and institutional presidents may be present. The hearings on higher education last approximately one-half day in each case.

Appropriation Bills

Appropriation bills are introduced in both houses. An ad hoc conference committee on appropriations, appointed by the speaker of each house, is appointed so that differences may be resolved as needed. Funds are appropriated to individual institutions by lump sum.

Control and Veto

There are few controls over institutional budgets once appropriations are made. The governor has item reduction veto authority. The General Assembly has the option of attempting to override the bill *in toto*, or in attempting to override individual items that the governor has altered. At this point in time, legislators do not have the option of adjusting the figures to a middle position; they must either accept the figures as originally enacted, or accept the figures as adjusted by the governor.

TEXAS

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Coordinating Board, Texas College and University System, was established in 1965 and serves as the statutory coordinating agency for post-secondary education in the state. Under law, the Coordinating Board has responsibility for central control and coordination of all public institutions of higher education in the state. The Board is composed of 18 members representative of the general public, who are appointed by the governor with Senate confirmation for six-year overlapping terms. The Board has statutory responsibility for approving or disapproving all degree programs and off-campus activities for public junior and state colleges and universities. The Board is responsible for authorizing elections to create public junior college districts and the adoption of standards for the operation of public junior colleges. Texas does not have an office of secretary of education, and the Coordinating Board does not function as a cabinet department. The executive officer of the Board is appointed by the Board and serves at its pleasure.

Institutional Governing Boards

There are now 47 public junior college districts in the state which operate 60 separate campuses. There are 15 statutory governing boards for senior institutions, 10 of which have responsibility for more than one institution. Boards responsible for more than one institution and the number of institutions they govern are: (1) The University of Texas System--

four universities, three upper-level institutions, three health science centers, one medical branch, and other research units; (2) Texas A&M University System--three senior institutions, one medical school, and one college of marine resources; (3) University System of South Texas--one university and two upper-level institutions; (4) Texas Tech University--one university and one health sciences center; (5) Board of Regents, Texas State University System--four universities and one upper-level center; (6) Lamar University--one university and two lower-division centers; (7) East Texas State University--one university and one upper-level center; (8) University of Houston System--two universities and two upper-level institutions; (9) North Texas State University--one university and one medical school; and (10) Pan American University--one university and one upper-level center. The Boards of the following universities govern single institutions: Texas Southern, Midwestern State, Texas Woman's, West Texas State, and Stephen F. Austin State University.

State Board for Vocational Education

The State Board of Education, functioning ex officio as the State Board for Vocational Education (SBVE), has responsibility for state-level administration of programs relating to vocational-technical education in Texas public community colleges, Texas State Technical Institute, and other public postsecondary institutions. The Coordinating Board has general control and responsibility for the community colleges within which postsecondary vocational programs are offered. All vocational programs are reviewed and approved or denied by a joint agency program committee composed

of officials from the Texas Education Agency and the Coordinating Board. The Advisory Council for Technical-Vocational Education, with 24 citizen members, has wide-ranging advisory responsibilities including evaluation of programs, recommendations for the creation of new programs and curricula or improvement of existing efforts, and recommendation of methods of funding vocational-technical programs. Community college vocational-technical programs are funded on the basis of median costs for conducting those programs during a previous base year. The SBVE adopts formulas for approximately 22 program categories.

PART II: BUDGETING PROCESS

Formulation of higher education operating budgets in Texas is characterized by: (1) the use for over 20 years of designated formulas which generate about 76 percent of the budget requests of the senior institutions; (2) very close personal and professional relationships among the staff of the three state agencies with primary budgetary responsibility; (3) joint executive and legislative staff hearings at institutions on initial requests; and (4) an equal balance of power between the executive and legislative branches. Texas has a biennial budget; the fiscal year begins September 1 of odd-numbered years.

Budget Preparation

Budget instructions are issued jointly by the Governor's Budget Office (GBO) and the Legislative Budget Board (LBB) in March, and include the formulas previously designated by the Coordinating Board (CB) in January.

Formulas are developed by some 15 advisory formula study committees, made up of some 115 to 200 institutional representatives and lay citizens, with CB staff liaison. Recommendations of the advisory committees and of CB staff are reviewed and formulas designated at a formal CB meeting.

Budget Requests

Campuses submit separate requests, and the identity of each campus remains clear throughout the budget process. First drafts of requests are submitted in July and final requests in October. Requests are submitted to GBO, LBB, and CB, although the latter does not have a formal budgetary review role following formula designation. Formula computations generate the largest part of the institutional requests, but special items are usually added for needs which fall outside the designated formulas.

CBO and LBB Joint Staff Hearings

Following the submission of first drafts of institutional requests, GBO and LBB conduct joint hearings at the institutions from July through September. Hearings vary in length, generally lasting a day for major institutions. Hearings focus on the needs of the institutions. CB staff attend these hearings as observers.

Review and Analysis

CB staff limit formal review and analysis to formula study committee recommendations. Although CB uses institutional role and scope determinations in the review of new academic programs, there is no formal or structured relationship between program approval and operating budget formulation.

Programs not approved by CB cannot be funded. GBO and LBB rely on the role and scope determinations in analysis of budget requests. The staffs generally use institutional comparisons to revise factors in the designated formulas, and rely on information furnished by CB staff.

Governor's Budget

The governor's budget is submitted in December prior to legislative hearings. It is functional in form, aggregating institutional requests according to the designated formulas and separately stating the special items. The governor does not submit a budget bill.

Legislative Hearings

LBB issues legislative budget estimates. Beginning in February, institutional budget requests are heard separately by both houses; each institution has an opportunity to present its request. Hearings focus on the needs of the institutions; special items may be requested for projects not included within the formula structure.

Budget Bill

After hearings, LBB staff draft separate budget bills for each house. After passage of bills in each house, differences are resolved by a conference committee, resulting in a single bill for all state services. Institutional appropriations are in functional format, with additional lines for specific objects of expenditure and organizational units.

Control and Veto

Legislative intent and restrictions on transfer are stated in the appropriation bill. Transfers between such items as faculty salaries, libraries, and special items are controlled. The governor has line-item veto authority but cannot reduce appropriations within lines.

VIRGINIA

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The State Council of Higher Education (SCHE), established in 1956, serves as the statutory coordinating agency in the state. The Council consists of 11 members appointed by the governor, with confirmation by the legislature. All members represent the general public and serve four-year terms of office. The Council has statutory responsibility for planning and coordination, and program approval for public senior and junior institutions. The Council has responsibility for the development of all budget guidelines and formulas. In addition, the Council reviews institutional budgets and makes budget recommendations for all public institutions. Virginia has a statutory office of secretary of education, established in 1972. The State Council of Higher Education is not a cabinet department; the executive officer of the Council is appointed by and serves at the pleasure of the Council.

Institutional Governing Boards

The State Board for Community College has statutory authority for 23 public junior colleges under the coordination of the Council. There are 13 other institutional governing boards in the state. The statutory boards are the Boards of Visitors of Christopher Newport College, George Mason University, Longwood College, James Madison University, Mary Washington College, Old Dominion University, Radford University, Virginia Commonwealth University, and the Virginia Military Institute. Norfolk State University,

Virginia Polytechnic Institute and State University, and Virginia State University each have constitutional governing boards for single senior institutions. The Board of Visitors of the College of William and Mary has constitutional governing authority for one senior and one junior public institution. The Board of Visitors of the University of Virginia has statutory authority for two senior public institutions.

1202 Commission

The Council of Higher Education serves as Virginia's 1202 commission.

State Board for Vocational Education

The State Board of Education is the State Board for Vocational Education. All less-than-baccalaureate occupational programs, including the area vocational schools designed as postsecondary, are within the planning and coordinating jurisdiction of the State Board for Community Colleges and the Council of Higher Education.

PART II: BUDGETING PROCESS

Formulation of higher education operating budgets in Virginia is characterized by: (1) the close working relationship between the executive and legislative branches as manifested in the Finance Advisory Committee and the use of executive budget office staff by the legislative fiscal committees; (2) a decentralized system of higher education institutions, each with its own board of visitors and substantial budget autonomy; and (3) the shift from a process dominated by the budget office and institutional staffs to a process with more significant roles for the State Council

of Higher Education and the legislative staffs. Virginia has a biennial budget; the fiscal biennium begins July 1 in even-numbered years.

Budget Preparation

Formal guidelines for developing budgets are worked out between the institutions, the Department of Planning and Budget (DPB), and SCHE. These are issued by the Council of Higher Education and are referenced in the instructions in the Budget Manual issued to all state agencies by DPB. The institutions also submit enrollment projections and new academic program proposals to SCHE for approval. On the basis of the approved guidelines, enrollment projections, and the new programs, the institutions prepare programmatic proposals to describe proposed services and to indicate multi-year (three biennium) program forecasts of fiscal, personnel, and facility resource requirements. Historical information on revenues, expenditures, appropriations, and positions is provided as a basis for the forecasts. The secretary of education, DPB, and the governor evaluate the programmatic proposals and develop target figures to be used by the institutions in the preparation of resource requests for the next biennium.

Budget Requests

Each institution submits a resource request in program format to DPB, with copies provided to SCHE and the legislative staffs. The institutions must utilize the target figures in preparing their resource requests for the next biennium. The requests describe the fiscal and personnel requirements for levels of service (current, changed, or new). Institutions may submit for consideration additional or addendum requests over and above the target figures.

Executive Review and Analysis

The governor, the secretary of education, and DPB evaluate institutional resource and addendum requests and develop recommendations for fiscal and personnel requirements for programs. Concurrently, SCHE develops its own personnel and fiscal recommendations which may influence the governor's recommendations as embodied in the executive budget submitted to the legislature.

Budget Bill

Based on the information developed for the executive budget, the governor, the cabinet secretary, and the Department of Planning and Budget prepare the budget bill, in which recommendations are made for appropriations for the programs of institutions of higher education. Funds are appropriated by institutions for four major program areas: educational and general programs; auxiliary enterprises; sponsored programs; and student financial assistance. For some institutions, special items are inserted for the operating expenditures of teaching hospitals or other programs. The bill includes central contingency appropriations to the governor for salary adjustments and unbudgeted cost increases for all state agencies, including institutions of higher education.

Legislative Hearings

The two legislative fiscal committees dealing with appropriations conduct joint public hearings on the governor's proposed budget in early January, immediately after the bill is introduced. The cabinet secretaries are asked

to present an overview of the governor's proposals at those hearings. The House Appropriations Committee and Senate Finance Committee then proceed with their review of the budget bill in public hearings held in January through early March. A separate bill is then considered by each house and passed on to the other chamber for its consideration. A joint conference committee resolves differences in the two bills. Institutions and SCHE may be requested to testify before the House Appropriations or Senate Finance Committees during the conference proceedings.

Control and Veto

The budget bill contains specific control language applicable to higher education institutions, and authorizes the governor to reduce appropriations within revenues in order to maintain a balanced budget. Such reductions have been made three times in the last two fiscal years. DPB exercises control over the central contingency appropriations referred to above, and approves expenditure plans and allotments within the maximum appropriation. The governor has line-item veto authority, which rarely has been exercised.

WEST VIRGINIA

PART I: STATE STRUCTURE

State-Level Coordinating and/or Governing Agency

The Board of Regents, established in 1969, serves as the statutory governing authority for a total of 15 public institutions in the state: three community colleges and 12 senior colleges. The Board is composed of 13 members, nine appointed by the governor with Senate confirmation, the state superintendent of schools serving in non-voting capacity, and the chairpersons of the faculty, student, and classified staff councils (voting). Nine members represent the general public; all serve six-year terms of office. The Board has statutory responsibility for planning and coordination for public junior and senior institutions. In addition, the Board has statutory responsibility for program approval, institutional budget review, and making consolidated budget recommendations for public senior and junior institutions. The state does not have an office of secretary of education and the Board does not function as a cabinet department. The executive officer of the Board is appointed by the Board and serves at its will and pleasure.

1202 Commission

The Board of Regents serves as the 1202 Commission. The Board is augmented to include three representatives of public vocational-technical institutions (chairman of State Advisory Council on Vocational Education and two members of the State Board of Education), two representatives of private nonprofit institutions, and one member representing proprietary schools.

State Board of Vocational Education

The State Board of Education is the State Board for Vocational Education. Less-than-baccalaureate occupational education programs are offered both in area vocational schools under the jurisdiction of the State Board of Education and in institutions under the jurisdiction of the Board of Regents.

PART II: BUDGETING PROCESS

Presubmission Activity

The annual budget cycle in West Virginia generally begins in June as Board of Regents' staff prepare draft guidelines and general instructions for the fiscal year beginning 13 months later. In early July, these preliminary guidelines are reviewed with the Board's Finance and Facilities Committee members and the Advisory Council of Presidents. By the second week in July, the budget request guidelines and documents are sent to the colleges and universities.

Institutional Requests

Normally, completed budget request documents and narratives are received from each institution during the first week in September. The request format follows the functional areas identified in the guidelines of the National Association of College and University Business Officers (NACUBO), along with a further line-item breakdown to meet state budget requirements.

Board Review and Recommendations

Institutional requests are summarized and reviewed by Board staff to insure that guidelines have been followed. Summaries of the requests are

then forwarded to Board members for review and, by the third week in September, separate formal hearings are held with each institution by the full Board. Each president is given an opportunity to present the institutional request and may involve other administrative officers and faculty, student, and staff representatives as the president may determine.

Recommendations based upon the institutional requests and hearings are presented to the Board's Finance and Facilities Committee by the Board's staff prior to the October Board meeting. At the October meeting, formal action is taken on the state system's budget request. By mid-October, the Board submits a consolidated budget request to the State Department of Finance and Administration. This submission is identified at three different budgetary levels--one assuming a specified cut in state funding compared to the current year (minimum level); one assuming only inflationary cost increases (current level); and one which allows for inflation plus program improvement funds (improvement levels).

Governor's Budget

During November, budget hearings are held by the Commissioner of Finance and Administration, representing the governor. The Board of Regents staff, along with Board Finance and Facilities Committee members and selected institutional representatives, participate in the hearings. During the latter part of December the governor formulates his recommendations for higher education and other agencies to form the state budget, which is presented to the legislature in mid-January.

Legislative Hearings

The Board's budget request is presented formally by the Board's staff and Board members to both the House and Senate Finance Committees by early February. Committee and sub-committee hearings are held from February through the first week in March. The Board staff usually represents higher education to address questions and finalize the budget.

Appropriation Bill

The legislature usually acts by early March on the budget bill, which is normally signed into law by the end of the month. The bill appropriates funds to the Board of Regents for the total system in four major line items--Personal Services, Current Expenses, Repairs and Alterations, and Equipment. Certain special items, such as medical schools and the Regents' central office, are identified specifically in separate accounts.

Allocation

Allocation guidelines are developed by the Board staff during the latter part of March or early April. These draft guidelines are reviewed with the Board's Finance and Facilities Committee, and the Advisory Council of Presidents. These guidelines normally address salary policy and other personnel and operational issues. The Board of Regents normally accepts guidelines and acts on the college and university allocations at the April Board meeting. Notification of allocation, along with state and Board budget forms, are then distributed to the institutions in April or early May. Completed forms with detailed line item identification are normally due by June 15. Upon approval, they become operational on July 1. Institutions are required to update these budgets through the fiscal year on a quarterly basis.

SOURCE NOTES

Three general sources were used in compiling the original 1980 version of these state profiles: State Postsecondary Education Profiles Handbook, 1979 Edition, Education Commission of the States, National Center for Higher Education Executive Officers Association; Lyman A. Glenny, et al, State Budgeting for Higher Education: Data Digest, Center for Research and Development in Higher Education, University of California, Berkeley, 1975; unpublished data from a National Center for Higher Education Management Systems project.

Additional information for the profiles was provided by staff of the following offices or agencies: Alabama Commission on Higher Education; University of Alabama System Office; Arkansas Department of Higher Education; Florida Senate Committee on Ways and Means; Florida House of Representatives Committee on Appropriations; Board of Regents of the University System of Georgia; Kentucky Council on Higher Education; Louisiana State Board of Regents; Louisiana Legislative Council; Maryland Board for Higher Education; Maryland General Assembly, Department of Fiscal Services; North Carolina Legislative Services Office; South Carolina Commission on Higher Education; Tennessee Higher Education Commission; Texas Legislative Budget Board; Virginia House of Delegates Appropriations Committee; West Virginia Board of Regents.

The "Regional Overview of Higher Education Coordination and Budgeting" was based on Education Commission of the States, "Higher Education in the States," Vol. 7, No. 5, 1979, supplemented by additional information from staff of the respective higher education state agencies.